



TESTIMONY REGARDING  
HB 5411 – AN ACT CONCERNING MEDICAID  
Before the Human Services Committee  
March 11, 2010

Senator Doyle, Representative Walker, and members of the Human Services Committee, my name is Brian Ellsworth and I am President & CEO of the Connecticut Association for Home Care & Hospice (CAHCH), whose members serve over 100,000 elderly, disabled, and terminally ill Connecticut citizens.

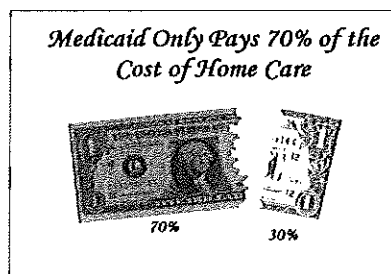
I am pleased to provide this testimony in **support** of Section 6 of H.B. 5411, which requires the Department of Social Services to file a Medicaid waiver to convert some or all of the state-funded portion of the CT Home Care Program for Elders to Medicaid. The new federal reimbursements obtained from this waiver would be deposited into the Long Term Care Reinvestment Account, to be used to finance future rate increases for home care providers. This initiative is part of the Association's 2010 Legislative Agenda and we are pleased to lend our enthusiastic support for this proposal.

The Governor's Mid-Term Budget adjustments project that the State will spend \$76 million on the state funded portion of the CT Home Care Program for Elders. If clinical and financial eligibility standards are adjusted through a Medicaid waiver and at least half of the otherwise state funded clients could be converted to Medicaid, then approximately \$19 million in increased federal reimbursements annually could be deposited into the Long Term Care Reinvestment Account. In turn, those funds would provide the basis for \$38 million in necessary increases to provider rates at no cost to the General Fund.

The Association strongly believes that this strategy of maximizing federal reimbursements for existing programs will help CT's economy in the short term, as well as "prime the pump" for

rebalancing of the long term care system in favor of cost-effective and consumer-preferred home care. The recently released report on long term care by the CT Regional Institute for 21<sup>st</sup> Century cited a projection that state taxpayers would be saving over \$900 million annually by 2025 if the system was rebalanced. Among that report's recommendations are to: aggressively pursue federal funding and ensure the viability of providers. This legislation is a specific action step that will meet both of those goals.

The important goal of rebalancing the long term care system will not be met without addressing the currently inadequate Medicaid rates for home care providers. Today, the typical home health agency is only paid about 70 percent of its actual costs of care by Medicaid. Unfortunately, home care's ability to make up this shortfall is being reduced as the federal Medicare program is cutting back on the home health reimbursements. The Governor's proposed 5% cut to Medicaid would make this already difficult situation much worse.



The bill's requirement for a waiver provides other benefits as well: it is vastly preferable to the 15% copayment currently being applied to state funded clients, which leads to disruption and premature placement in nursing homes. A waiver could also be an integral part of rationalizing and streamlining the myriad of state programs for persons needing long term care.

For all of these reasons, we are pleased to express our strong support for this bill and we urge a Joint Favorable recommendation from this committee.